

COMMISSIONERS  
KRISTIN K. MAYES – Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP



ARIZONA CORPORATION COMMISSION

For Internal File:

In the matter of ACC Docket Number T-20457A-06-0294, Decision Number 70196,

Applicant IPC Network Services, Inc.

We hereby agree to the cancellation of the obsolete Irrevocable Letter of Credit in the amount of \$35,000.00 US issued by Fortis Bank, S.A./N.V., New York on behalf of applicant, and agree to the exchange for a replacement Irrevocable Letter of Credit issued by BNP Paribas for the same amount of \$35,000.00 US on behalf of applicant, as required by Decision number 70196.

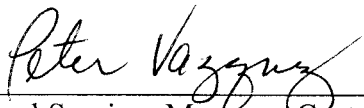
We recommend the Executive Director, ACC, authorize the exchange agreement requested by Fortis Bank, S.A./N.V., New York, on behalf of applicant and hereto attached.

  
\_\_\_\_\_  
Utilities Division Director

10-29-10  
Date

  
\_\_\_\_\_  
Chief Counsel, Legal Division Director

10-29-10  
Date

  
\_\_\_\_\_  
Fiscal Services Manager, Custodian of  
Negotiable Instruments

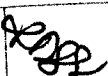
10/29/10  
Date

RECEIVED  
2010 OCT 29 P 12:24  
ARIZONA CORPORATION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

OCT 29 2010

|             |   |
|-------------|---|
| DOCKETED BY |  |
|-------------|---|



OCTOBER 25, 2010

ARIZONA CORPORATION COMMISSION  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007

T-20457A-06-0294

RE: BNP PARIBAS/FORTIS INTEGRATION LETTERS OF CREDIT

DEAR SIR OR MADAM,

ON AUGUST 19, 2010 WE WROTE TO YOU REGARDING A LETTER OF CREDIT ISSUED IN YOUR FAVOUR BY FORTIS BANK SA/NV ON BEHALF OF IPC NETWORK SERVICES, INC AND TO WHICH WE DO NOT APPEAR TO HAVE RECEIVED A REPLY.

YOU MAY ALREADY BE AWARE THAT IN MAY 2009, BNP PARIBAS, AN S&P "AA" RATED INTERNATIONAL BANK, ACQUIRED A MAJORITY INTEREST IN FORTIS BANK SA/NV, A BELGIAN BANKING CORPORATION (TOGETHER WITH ITS SUBSIDIARIES, "FORTIS"), AND AS A RESULT OF THE ACQUISITION, FORTIS HAS NOW BECOME PART OF THE BNP PARIBAS GROUP.

WE HAVE BEGUN THE PROCESS OF REPLACING LETTERS OF CREDIT ISSUED BY FBNY WITH LETTERS OF CREDIT ISSUED BY BNP PARIBAS. IN THIS RESPECT WE SENT YOU A REQUEST FOR CANCELLATION OF YOUR EXISTING FORTIS LETTER OF CREDIT (THE "FORTIS LC") ALONG WITH A NEW BNP PARIBAS LETTER OF CREDIT (THE "BNPP LC") SUBSTANTIALLY BASED ON THE FORM OF YOUR EXISTING FORTIS LC TO REPLACE THE FORTIS LC.

THE BNPP LC ONLY BECAME OPERATIVE UPON RECEIPT OF YOUR CONFIRMATION TO CANCEL THE FORTIS LC AS PROVIDED IN THE BNPP LC. YOU DID NOT HOWEVER PROVIDE SUCH CONFIRMATION BY THE DATE REQUIRED AND THEREFORE THE BNPP LC DID NOT BECOME OPERATIVE. WE THEREFORE ENCLOSE A NEW REPLACEMENT BNPP LC.

TO ACTIVATE THIS NEW REPLACEMENT BNPP LC WE REQUEST THAT YOU PLEASE PROVIDE YOUR WRITTEN CONFIRMATION OF YOUR CONSENT TO THE CANCELLATION OF THE FORTIS LC (IN THE FORMAT SPECIFIED IN THE REPLACEMENT BNPP LC) BY NOVEMBER 26, 2010 AND RETURN THE FORTIS LC BACK TO FORTIS AS DIRECTED IN THE CANCELLATION REQUEST TOGETHER WITH THE BNPP LC WHICH DID NOT BECOME OPERATIVE.

PLEASE NOTE THAT UNTIL THE REPLACEMENT PROCESS IS COMPLETED, ALL DRAW, PAYMENT AND SETTLEMENT INSTRUCTIONS, AND ALL OTHER TERMS AND PROVISIONS OF YOUR EXISTING FORTIS LC REMAIN UNCHANGED.

IN THE MEANTIME, IF YOU ARE NOT THE APPROPRIATE CONTACT, PLEASE CONFIRM THE NAMES OF THE CORRECT OPERATIONAL AND LEGAL CONTACTS IN YOUR INSTITUTION TO FACILITATE THE ABOVE-MENTIONED

RECEIVED

OCT 26 2010

LEGAL DIV.  
ARIZ. CORPORATION COMMISSION

FORTIS



PROCESS.

IF YOU HAVE ANY QUESTIONS WITH RESPECT TO THE ABOVE, PLEASE DO NOT HESITATE TO CONTACT MARIA ALBUQUERQUE AT (201) 850-6761, CATHY GILBERT AT (201) 850-8321 OR DAVID SMITH AT (201) 850-6901.

WE LOOK FORWARD TO WORKING WITH YOU ON THIS REPLACEMENT PROCESS AND THANK YOU IN ADVANCE FOR HELPING US TO ENSURE A SMOOTH TRANSITION.

YOURS FAITHFULLY,

BNP PARIBAS/FORTIS BANK

PLEASE URGENTLY RETURN YOUR SIGNED WRITTEN CONSENT TO FAX NO. 201-631-8330 OR EMAIL: USLCDEPT@US.FORTIS.COM

WE HEREBY AGREE TO CANCEL FORTIS BANK SA/NV NEW YORK LETTER OF CREDIT NO. FOUSNYY002925 (THE "FORTIS LETTER OF CREDIT"). WE CONFIRM THAT WE ARE THE SOLE BENEFICIARY OF THE FORTIS LETTER OF CREDIT THAT WE HAVE NOT PRESENTED ANY DOCUMENTS UNDER THE FORTIS LETTER OF CREDIT THAT ARE UNPAID AND THAT WE HAVE NOT TRANSFERRED THE FORTIS LETTER OF CREDIT. FURTHER WE ARE RETURNING TO YOU THE FORTIS LETTER OF CREDIT.

AUTHORIZED SIGNATURE

ARIZONA CORPORATION COMMISSION

Dec. 70196

T-20457A-06-0294

**FORTIS**



AUGUST 19, 2010

ARIZONA CORPORATION COMMISSION  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007

RE: BNP PARIBAS/FORTIS INTEGRATION      LETTERS OF CREDIT

DEAR SIR OR MADAM,

ON JULY 2, 2010 WE WROTE TO YOU REGARDING A LETTER OF CREDIT ISSUED IN YOUR FAVOUR BY FORTIS BANK SA/NV ON BEHALF OF IPC NETWORK SERVICES, INC AND TO WHICH WE DO NOT APPEAR TO HAVE RECEIVED A REPLY.

YOU MAY ALREADY BE AWARE THAT IN MAY 2009, BNP PARIBAS, AN S&P "AA" RATED INTERNATIONAL BANK, ACQUIRED A MAJORITY INTEREST IN FORTIS BANK SA/NV, A BELGIAN BANKING CORPORATION (TOGETHER WITH ITS SUBSIDIARIES, "FORTIS"), AND AS A RESULT OF THE ACQUISITION, FORTIS HAS NOW BECOME PART OF THE BNP PARIBAS GROUP.

WE HAVE BEGUN THE PROCESS OF REPLACING LETTERS OF CREDIT ISSUED BY FBNY WITH LETTERS OF CREDIT ISSUED BY BNP PARIBAS. IN THIS RESPECT WE SENT YOU A REQUEST FOR CANCELLATION OF YOUR EXISTING FORTIS LETTER OF CREDIT (THE "FORTIS LC") ALONG WITH A NEW BNP PARIBAS LETTER OF CREDIT (THE "BNPP LC") SUBSTANTIALLY BASED ON THE FORM OF YOUR EXISTING FORTIS LC TO REPLACE THE FORTIS LC.

THE BNPP LC ONLY BECAME OPERATIVE UPON RECEIPT OF YOUR CONFIRMATION TO CANCEL THE FORTIS LC AS PROVIDED IN THE BNPP LC. YOU DID NOT HOWEVER PROVIDE SUCH CONFIRMATION BY THE DATE REQUIRED AND THEREFORE THE BNPP LC DID NOT BECOME OPERATIVE. WE THEREFORE ENCLOSE A NEW REPLACEMENT BNPP LC.

TO ACTIVATE THIS NEW REPLACEMENT BNPP LC WE REQUEST THAT YOU PLEASE PROVIDE YOUR WRITTEN CONFIRMATION OF YOUR CONSENT TO THE CANCELLATION OF THE FORTIS LC (IN THE FORMAT SPECIFIED IN THE REPLACEMENT BNPP LC) BY SEPTEMBER 20, 2010 AND RETURN THE FORTIS LC BACK TO FORTIS AS DIRECTED IN THE CANCELLATION REQUEST TOGETHER WITH THE BNPP LC WHICH DID NOT BECOME OPERATIVE.

PLEASE NOTE THAT UNTIL THE REPLACEMENT PROCESS IS COMPLETED, ALL DRAW, PAYMENT AND SETTLEMENT INSTRUCTIONS, AND ALL OTHER TERMS AND PROVISIONS OF YOUR EXISTING FORTIS LC REMAIN UNCHANGED.

IN THE MEANTIME, IF YOU ARE NOT THE APPROPRIATE CONTACT, PLEASE CONFIRM THE NAMES OF THE CORRECT OPERATIONAL AND LEGAL CONTACTS IN YOUR INSTITUTION TO FACILITATE THE ABOVE-MENTIONED

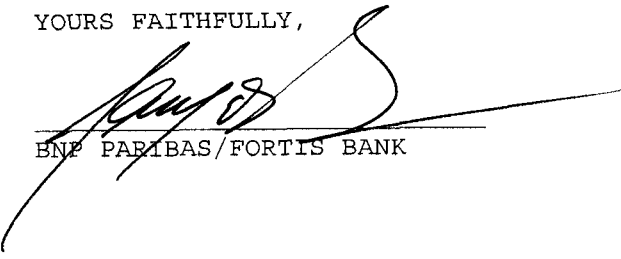


PROCESS.

IF YOU HAVE ANY QUESTIONS WITH RESPECT TO THE ABOVE, PLEASE DO NOT HESITATE TO CONTACT MARIA ALBUQUERQUE AT (201) 850-6761, CATHY GILBERT AT (201) 850-8321 OR DAVID SMITH AT (201) 850-6901.

WE LOOK FORWARD TO WORKING WITH YOU ON THIS REPLACEMENT PROCESS AND THANK YOU IN ADVANCE FOR HELPING US TO ENSURE A SMOOTH TRANSITION.

YOURS FAITHFULLY,



BNP PARIBAS/FORTIS BANK

**BNP PARIBAS**

BNP PARIBAS  
TRADE SERVICES OPERATIONS  
787 SEVENTH AVENUE  
NEW YORK, NY 10019

DATE: AUGUST 19, 2010

FOR BNP PARIBAS REFERENCE ONLY:

LC NUMBER: [REDACTED] USD AMOUNT: 35,000.00

EXPIRY DATE: APRIL 22, 2011

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED]

AUGUST 19, 2010

BENEFICIARY:

DOCKET CONTROL CENTER  
ARIZONA CORPORATION COMMISSION  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007

APPLICANT:

IPC NETWORK SERVICES, INC  
HARBORSIDE FINANCIAL CENTER  
PLAZA 10, 1500 PLAZA 10, 15TH FL  
JERSEY CITY, NJ 07311

WE HEREBY ISSUE THIS LETTER OF CREDIT, IN REPLACEMENT OF FORTIS BANK S.A./N.V., NEW YORK LETTER OF CREDIT NUMBER [REDACTED] INCLUSIVE OF ALL AMENDMENTS THERETO IF ANY. THEREFORE THIS LETTER OF CREDIT IS INOPERATIVE AT THIS TIME (AND THEREFORE NO PRESENTATIONS MAY BE MADE) BUT WILL BECOME AUTOMATICALLY OPERATIVE (AND WILL THEN BE AVAILABLE FOR PRESENTATION) ONLY UPON RECEIPT BY US ON BEHALF OF FORTIS BANK S.A./N.V., NEW YORK BY NO LATER THAN 5:00 P.M. NEW YORK CITY TIME ON SEPTEMBER 20, 2010 OF A COPY OF YOUR WRITTEN AGREEMENT STATING AS FOLLOWS: "WE HEREBY AGREE TO CANCEL FORTIS BANK S.A./N.V., NEW YORK LETTER OF CREDIT NO. [REDACTED] (THE "FORTIS LETTER OF CREDIT"). WE CONFIRM THAT WE ARE THE SOLE BENEFICIARY OF THE FORTIS LETTER OF CREDIT, THAT WE HAVE NOT PRESENTED ANY DOCUMENTS UNDER THE FORTIS LETTER OF CREDIT THAT ARE UNPAID AND THAT WE HAVE NOT TRANSFERRED THE FORTIS LETTER OF CREDIT."

THIS REPLACEMENT LETTER OF CREDIT SUPERCEDES AND REPLACES OUR LETTER OF CREDIT WITH THE SAME NUMBER ISSUED ON JULY 2, 2010.

AMOUNT: NOT EXCEEDING USD 35,000.00

(NOT EXCEEDING THIRTY FIVE THOUSAND AND 00/100 US DOLLARS)

EXPIRATION DATE: APRIL 22, 2011 AT OUR COUNTERS

1. WE HEREBY ESTABLISH THIS CLEAN, IRREVOCABLE AND UNCONDITIONAL LETTER OF CREDIT IN YOUR FAVOR IN THE AMOUNT OF \$35,000.00 AVAILABLE BY YOUR DRAFT(S) DRAWN ON US, AT SIGHT, BEARING THE NUMBER OF THIS LETTER OF CREDIT [REDACTED] THIS LETTER OF CREDIT SHALL EXPIRE AT OUR OFFICE LOCATED AT BNP PARIBAS, EQUITABLE TOWER, 787 SEVENTH AVENUE, NEW YORK, NY 10019 ATTN: TRADE FINANCE SERVICES, AT OUR CLOSE OF BUSINESS ON APRIL 22, 2011, UNLESS AS HEREINAFTER EXTENDED.

2. THIS LETTER OF CREDIT IS ISSUED ON BEHALF OF IPC NETWORK SERVICES, INC. PURSUANT TO ARIZONA CORPORATION COMMISSION DOCKET NO. T-20457A-06-0294 AND DECISION 70196.

3. THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR

PAGE 2  
DATED: AUGUST 19, 2010  
OUR REF: [REDACTED]

ADDITIONAL PERIODS, EACH OF ONE YEAR, UNLESS AT LEAST SIXTY (60) CALENDAR DAYS PRIOR TO THE THEN RELEVANT EXPIRATION DATE WE HAVE ADVISED YOU IN WRITING THAT WE ELECT NOT TO EXTEND. IN THAT EVENT, YOU MAY DRAW HEREUNDER ON OR PRIOR TO THE THEN RELEVANT EXPIRATION DATE, UP TO THE FULL AMOUNT THEN AVAILABLE HEREUNDER, AGAINST YOUR SIGHT DRAFT(S) ON US, BEARING THE NUMBER OF THIS LETTER OF CREDIT. OUR NOTIFICATION WILL BE SENT TO YOU BY REGISTERED MAIL OR OVERNIGHT COURIER AT THE ADDRESS SET FORTH ABOVE.

4. THE FOREGOING PROVISION IS NOT MEANT TO LIMIT YOUR ABILITY TO DRAW HEREUNDER, UP TO THE FULL AMOUNT THEN AVAILABLE HEREUNDER, IN THE EVENT OF COURT ORDERED RECEIVERSHIP OR OTHERWISE, AT ANY TIME.

5. EXCEPT AS STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY REQUIREMENT OR QUALIFICATION. OUR OBLIGATION UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF THE BANK, IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO, OR UPON OUR ABILITY TO PERFECT ANY LIEN OR SECURITY INTEREST.


6. EACH SIGHT DRAFT SO DRAWN AND PRESENTED SHALL BE PROMPTLY HONORED BY US IF PRESENTED BY YOU OR YOUR DESIGNEE ON OR PRIOR TO THE ABOVE STATED EXPIRATION DATE OR ANY EXTENSION THEREOF AS ABOVE PROVIDED.

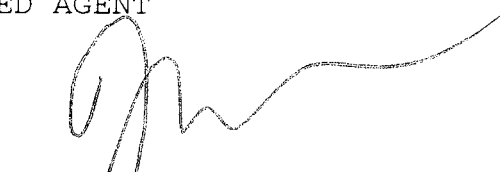
7. THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600. NOTWITHSTANDING ARTICLE 36 OF SAID PUBLICATION, IN THE EVENT THAT ONE OR MORE OF THE OCCURRENCES SPECIFIED IN ARTICLE 36 OF SAID PUBLICATION OCCURS, THEN THE BANK HEREBY SPECIFICALLY AGREES THAT THIS LETTER OF CREDIT SHALL BE EXTENDED SO AS NOT TO EXPIRE DURING SUCH INTERRUPTION OF BUSINESS AND SHALL EXTEND FOR TEN DAYS AFTER SUCH RESUMPTION OF BUSINESS.

DOCUMENTS MUST BE PRESENTED TO BNP PARIBAS IN ONE LOT VIA COURIER TO: BNP PARIBAS, EQUITABLE TOWER, 787 SEVENTH AVENUE, NEW YORK, NY 10019 ATTN: TRADE FINANCE SERVICES OR TO BNP PARIBAS RCC, INC., NEWPORT TOWER-SUITE 188, 525 WASHINGTON BOULEVARD, JERSEY CITY, NJ 07310 ATTN: TRADE FINANCE SERVICES.

CERTAIN ADMINISTRATIVE SERVICES FOR BNP PARIBAS MAY BE PROVIDED BY BNP PARIBAS RCC, INC. A WHOLLY OWNED SUBSIDIARY OF BNP PARIBAS.

BNP PARIBAS  
BY: BNP PARIBAS RCC, INC., AS AUTHORIZED AGENT

  
\_\_\_\_\_  
**Authorized Signature**  
**BNP Paribas RCC As Agent**  
**for BNP Paribas**

  
\_\_\_\_\_  
**Authorized Signature**  
**BNP Paribas RCC As Agent**  
**for BNP Paribas**